

3 MINUTES

NSC BRIEFING

16 July 1957

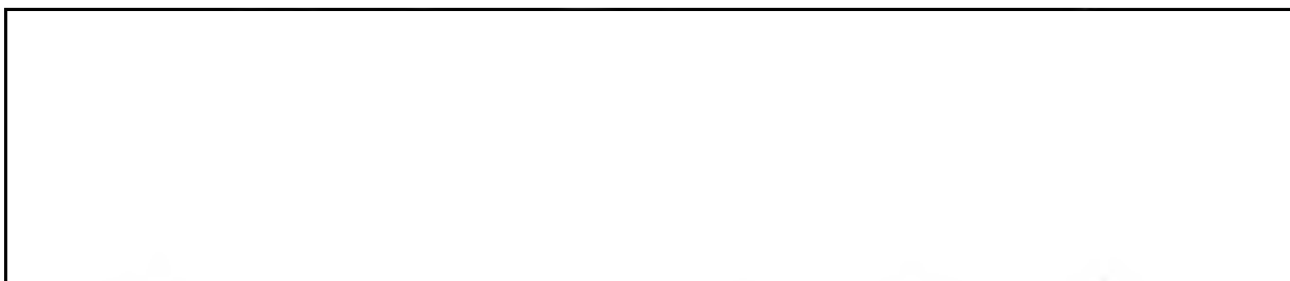
SHOWDOWN BETWEEN SHAH AND IRANIAN PRIME MINISTER EQBAL MAY BE NEAR

- I. Shah's abrupt return to Tehran from Europe on 12 July may bring showdown with Premier Eqbal, who has repeatedly threatened to resign if Shah continues to interfere in government.
- A. Shah ostensibly coming back to step up earthquake relief south of Caspian Sea.

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- II. Eqbal believes his constructive program for Iran is blocked by Shah's meddling in day-to-day government operations.
- A. Although he hopes Shah can be persuaded to give him freer hand, it is unlikely Shah will surrender his prerogatives willingly, and Eqbal can probably be persuaded to stay on anyway.
- B. No group on Iranian political scene appears strong enough to force him to "reign instead of rule."
- III. However, continued lack of progress toward reform--largely caused by Shah's reluctance to let Eqbal fire inefficient and corrupt officials--will strengthen sentiment for abolition of the monarchy.
- A. Bitter criticism of Shah's rule also now coming from members of ruling class, including Shah's half-brother Prince Abdor Reza, some members of cabinet, Majlis deputies, high-ranking army and police officers, religious leaders and some wealthy land-owners.

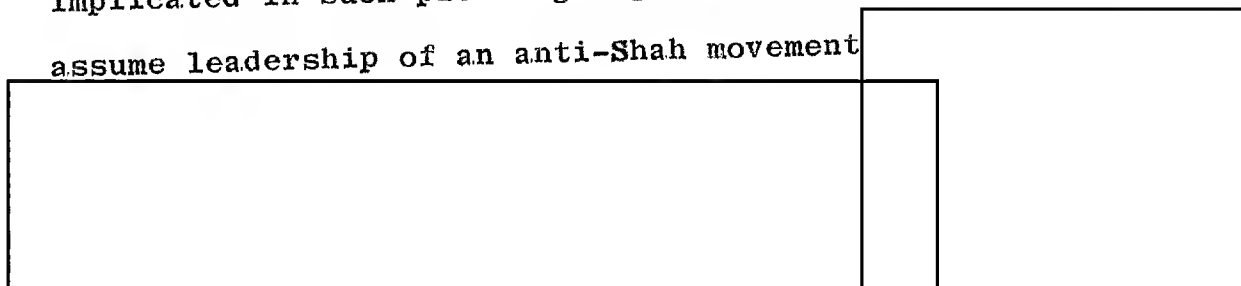
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2. There is also some indication that followers of former premier Mossadeq may be trying to organize a move against the Shah. Tudeh, however, now weak and disorganized.

3. Powerful and ambitious individuals not known to be implicated in such plotting might at some point seek to assume leadership of an anti-Shah movement

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